

**BERKELEY CITY COUNCIL BUDGET & FINANCE COMMITTEE
SPECIAL MEETING MINUTES**

**Thursday, November 16, 2023
9:30 AM**

2180 Milvia Street, 6th Floor - Redwood Room

Committee Members:

Mayor Jesse Arreguin, Councilmembers Rashi Kesarwani and Kate Harrison
Alternate: Councilmember Sophie Hahn

This meeting will be conducted in a hybrid model with both in-person attendance and virtual participation. If you are feeling sick, please do not attend the meeting in person.

Remote participation by the public is available through Zoom. To access the meeting remotely using the internet: Join from a PC, Mac, iPad, iPhone, or Android device: Use URL - <https://cityofberkeley-info.zoomgov.com/j/1617357038>. To request to speak, use the “raise hand” icon on the screen. To join by phone: Dial **1-669-254-5252** or **1-833-568-8864 (Toll Free)** and Enter Meeting ID: **161 735 7038**. If you wish to comment during the public comment portion of the agenda, press *9 and wait to be recognized by the Chair. Please be mindful that the meeting will be recorded.

To submit a written communication for the Committee’s consideration and inclusion in the public record, email policycommittee@berkeleyca.gov.

Written communications submitted by mail or e-mail to the Budget & Finance Committee by 5:00 p.m. the Friday before the Committee meeting will be distributed to the members of the Committee in advance of the meeting and retained as part of the official record.

Pursuant to the City Council Rules of Procedure and State Law, the presiding officer may remove, or cause the removal of, an individual for disrupting the meeting. Prior to removing an individual, the presiding officer shall warn the individual that their behavior is disrupting the meeting and that their failure to cease their behavior may result in their removal. The presiding officer may then remove the individual if they do not promptly cease their disruptive behavior. “Disrupting” means engaging in behavior during a meeting of a legislative body that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting and includes, but is not limited to, a failure to comply with reasonable and lawful regulations adopted by a legislative body, or engaging in behavior that constitutes use of force or a true threat of force.

AGENDA

Roll Call 9:36 a.m.

Present: Kesarwani, Harrison, Arreguín

Absent: None

Minutes for Approval

Draft minutes for the Committee's consideration and approval.

1. Minutes - October 26, 2023

Action: M/S/C (Arreguín/Kesarwani) to approve the minutes of October 26, 2023.

Vote: All Ayes.

Committee Action Items

The public may comment on each item listed on the agenda for action as the item is taken up. The Chair will determine the number of persons interested in speaking on each item. Up to ten (10) speakers may speak for two minutes. If there are more than ten persons interested in speaking, the Chair may limit the public comment for all speakers to one minute per speaker.

Following review and discussion of the items listed below, the Committee may continue an item to a future committee meeting, or refer the item to the City Council.

2. Presentation: City's Fiscal Forecast

From: City Manager

Contact: Sharon Friedrichsen, Budget Manager, (510) 981-7000

Action: 3 speakers. Presentation made and discussion held. No further action required by the Committee.

Councilmember Harrison absent 11:04 a.m. – 12:04 p.m.

Committee Action Items

3. Budget Referral and Updated Guidelines and Procedures for City Council Office Staff Expenditures

From: Councilmember Taplin (Author), Councilmember Harrison (Author), Councilmember Bartlett (Author), Councilmember Hahn (Co-Sponsor)

Referred Date: October 30, 2023

Due Date: April 28, 2024

Recommendation: Refer to the Budget and Finance Committee to consider updates to the guidelines and procedures for City Council office budget expenditure accounts with regards to City Council staff salaries and an accompanying Budget Referral of up to \$219,080 for the Annual Appropriation Ordinance #2 (AAO) process to budget Council offices up to 2 FTE, meet obligations under the SEIU 1021 CSU/PTRLA MOU, and prevent layoffs.

Financial Implications: See report

Contact: Terry Taplin, Councilmember, District 2, (510) 981-7120

Action: 3 speakers. M/S/C (Arreguín/Kesarwani) to forward the item as revised to the City Council with a positive recommendation.

Vote: Ayes – Kesarwani, Arreguin; Noes – None; Abstain – None; Absent - Harrison.

4. Fiscal Year 2024 Annual Appropriations Ordinance Amendment *(Item contains supplemental material)*

From: City Manager

Recommendation:

1. Review and discuss the Fiscal Year 2023 year-end encumbrance rollover and requested carryover items and Fiscal Year 2024 new requested adjustments for inclusion within the First Amendment to the FY 2024 Annual Appropriations Ordinance and provide direction to staff.

2. Authorize staff to present the First Amendment to the FY 2024 Annual Appropriations Ordinance to City Council on November 7, 2023, for consideration and first reading.

Financial Implications: See report

Contact: Sharon Friedrichsen, Budget Manager, (510) 981-7000

Action: 4 speakers. Presentation made and discussion held. Item continued to a future meeting.

5. Audit Recommendation Status - Berkeley Police: Improvements Needed to Manage Overtime and Security Work for Outside Entities

From: City Manager

Referred: May 23, 2023

Due: December 1, 2023

Contact: Jennifer Louis, Police, (510) 981-5900

Action: Item deadline extended to December 5, 2023 by the City Manager. Item continued to a future meeting.

Committee Action Items

6. **Audit Status Reports: Fleet Replacement Fund Short Millions & Rocky Road: Berkeley Streets at Risk and Significantly Underfunded**
From: City Manager
Recommendation: ****On May 23, 2023, the City Council referred to the Budget and Finance Policy Committee to prioritize funding to the vehicle replacement fund to make up the shortfall over time in order to stabilize the fund.****
Financial Implications: See report
Contact: Liam Garland, Public Works, (510) 981-6300
Action: Item continued to a future meeting.

Unscheduled Items

These items are not scheduled for discussion or action at this meeting. The Committee may schedule these items to the Action Calendar of a future Committee meeting.

7. **Accept the Risk Analysis for Long-Term Debt (Bonding Capacity) Report provided by Government Finance Officers Association (Item contains supplemental material)**
From: City Manager
Referred: April 26, 2022
Due: February 29, 2024
Recommendation:
Accept the report titled 'Risk-Based Analysis and Stress Test of Long-Term Debt Affordability' as provided by the Government Finance Officers Association (GFOA). This report is based on their research and development of a risk-modeling tool to address issuing long-term debt related to City of Berkeley Vision 2050. On April 26, 2022, the City Council referred this item to the City Manager and Budget & Finance Committee to return to Council with recommendations or analysis on as many of the following items as possible by October 2022, if feasible. 1) Consideration of reserves policies for operational funds other than the General Fund; 2) Potential reduction of the maximum indebtedness rate from 15% of assessed property value down to 4-8% range; 3) A new policy to not incur indebtedness when interest rates go above 5% or a different specific threshold; 4) Tools for increased transparency for taxpayers; 5) Updated report and discussion of pension and healthcare costs; 6) Refer the full Report to the Budget & Finance Committee for consideration.
Financial Implications: None
Contact: Henry Oyekanmi, Finance, (510) 981-7300
8. **Investment Report Update - Investment Policies of Other Jurisdictions**
From: City Manager
Contact: Henry Oyekanmi, Finance, (510) 981-7300

Items for Future Agendas

- Chair Arreguin called a special meeting of the Budget & Finance Committee, tentatively scheduled for Tuesday, December 5, 2023 at 9:30 a.m.

Adjournment

Action: M/S/C (Arreguín/Kesarwani) to adjourn the meeting.

Vote: Ayes – Kesarwani, Arreguin; Noes – None; Abstain – None; Absent - Harrison.

Adjourned at 12:04 p.m.

I hereby certify that the foregoing is a true and correct record of the Budget & Finance Committee meeting held on November 16, 2023.

Rose Thomsen, Deputy City Clerk